

July 21, 2006

Contact: Robin Winchell (202) 225-4031

**WASHINGTON, DC-** U.S. Rep. Charlie Melancon today requested a meeting with representatives of the Department of Homeland Security to discuss the department's recent decision to exclude Port Fourchon from their Port Security Grant Program. Yesterday, Melancon sent DHS Secretary Michael Chertoff a letter arguing the port's obvious strategic importance as a major supplier of oil and gas for the U.S. The letter also requested that Chertoff reverse the department's decision (see attached document).

**"Due to [Port Fourchon's] location in the Central Gulf, it has become the focal point of oil and gas activities and serves as the central supply base for oil rigs and production platforms in the Gulf of Mexico,"** wrote Melancon. **"With Port Fourchon serving such a pivotal role in this energy activity, it must be eligible to apply for grants under the Port Security Grant Program."**

Port Director Ted Falgout also decried the department's decision. "Ignoring such a strategically significant port as Port Fourchon is creating a hole in our national security," Falgout said. "Oil rigs supplying more than 75% of the Gulf's deepwater oil production rely on Port Fourchon for service, meaning the port plays a huge role in our national energy supply. Disrupting Port Fourchon's operations would be catastrophic for the U.S.'s economy."

Currently between 16 and 18% of the entire U.S. supply of domestic and foreign crude oil travels through Port Fourchon. DHS has deemed the port eligible for Port Security Grants in the past, allocating over \$1.2 million in grants for upgrades including a security camera system and security vessel.

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The Honorable Michael Chertoff

Secretary  
Department of Homeland Security  
3801 Nebraska Avenue, NW  
Washington, DC 20528

Dear Secretary Chertoff:

It has come to my understanding that Port Fourchon in Lafourche Parish, Louisiana was deemed ineligible for the latest round of grants under the Port Security Grant program. While I understand that port security funds are limited, I have substantial concerns that by finding Port Fourchon ineligible, you have excluded a port that serves a critical role in our Nation's energy supply from applying for Port Security Grants.

Specifically, Port Fourchon is key to ensuring a steady supply of imported and domestic oil is maintained in this country. A great deal of attention from Federal and State officials was directed toward this port in the aftermath of Hurricane Katrina, to ensure the timely recommencement of operations. This port was operational in a matter of days after Katrina, which softened the energy crunch our country experienced. Should the operation of Port Fourchon be impaired by an act of terrorism, there would be catastrophic consequences to our Nation's oil supply and overall economic health. Port Fourchon is so important to our Nation's energy needs that Congress included language in the Fiscal Year 2006 Department of Homeland Security appropriations legislation directing the Department to " *consider the proximity of existing liquefied natural gas facilities and liquefied petroleum vessels among the risk factors when deciding eligibility for port security grant funding.*"

I encourage you to reconsider your determination that Port Fourchon is ineligible for this current round of Port Security Grants.

It is my understanding that DHS determines eligibility for port security grants by the U.S. Coast Guard's criteria. These criteria are based on commercial, demographic and geographic data. Among the factors considered are: cargo and passenger volume, the presence of Critical Infrastructure/Key Assets (CI/KA), and strategic importance, which serve to identify ports that are essential to marine transportation. Based on your own criteria, I find it incredible that Port Fourchon was found ineligible. It seems the strategic importance and presence of critical infrastructure alone would be enough to deem Port Fourchon eligible. It can also be argued that the port is a more valuable target to terrorists than other ports that might have more cargo or passenger volume, or might be located in a more populated area, because attacking Port Fourchon would have such a disruptive effect on our Nation's oil supply and our national

economy as a whole.

Due to the Port's location in the Central Gulf, it has become the focal point of oil and gas activities and serves as the central supply base for oil rigs and production platforms in the Gulf of Mexico. Daily, over 200 Offshore Supply Vessels and Tugs carrying equipment and supplies for the rigs and platforms in the Gulf traverse the Port's channel. Port Fourchon currently services more than 75% of the Gulf of Mexico deepwater oil production and over half the drilling rigs in the entire U.S. Gulf. In total, this Port accommodates approximately 16 - 18% of the entire U.S. supply of domestic and foreign crude oil supply. Moreover, the U.S. Minerals Management Service projects that Port Fourchon will service nearly half of pending future deepwater plans.

Using a basis of threat, vulnerability and consequence of an attack, it is clear that Port Fourchon would be near the top of vulnerable ports. A task force of federal and state agencies, including the FBI, Coast Guard, and Louisiana National Guard, has identified Port Fourchon as a critical asset and a potential terrorist target. Significantly, the vessels calling Port Fourchon are largely U.S. flagged service vessels and tugs, and thus, are subject to very little scrutiny from Federal and State law enforcement agencies. Additionally, over 2000 port workers, 1000 offshore workers and hundreds of commercial and recreational fishermen move through the Port daily.

The Gulf of Mexico is now considered one of the top geologic provinces in the world. It also has the most extensive network of offshore oil and gas pipelines in the world. Moreover, Federal government estimates predict that this activity will only continue to grow, particularly in the case of domestic oil and gas production. With Port Fourchon serving such a pivotal role in this energy activity, it must be eligible to apply for grants under the Port Security Grant program.

Thank you for your consideration of this important request. If I may provide additional information, please do not hesitate to let me know.

Sincerely,

Charlie Melancon, M.C.